

Amendment No. 4 to SB0570

**Tracy
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 570

House Bill No. 472*

By deleting Section 11 of the bill as amended (the effective date section) and by substituting instead the following as new sections to the bill as amended:

SECTION 11. Tennessee Code Annotated, Section 4-51-111, is amended by adding the following language as a new subsection (g):

(g)

(1) There is created a special account in the state treasury to be known as the "K-12 lottery capital outlay special account," hereinafter referred to as the "lottery capital outlay account".

(2) At the end of each fiscal year, such funds as the general assembly deems to be excess lottery funds in accordance with Article XI, §5 of the Tennessee constitution and appropriates in the general appropriations act shall be transferred from the lottery for education account to the lottery capital outlay account. In fiscal year 2007-2008, such transfer shall not exceed one hundred million dollars (\$100,000,000).

(3) Moneys in the lottery capital outlay account shall be used exclusively for capital outlay projects for K-12 educational facilities consistent with Article XI, §5 of the Constitution of Tennessee and in accordance with the provisions of §8-4-118. Such moneys shall supplement, not supplant, non-lottery educational resources for capital outlay projects for K-12 educational facilities.

(4) Any balance remaining unexpended at the end of a fiscal year in the lottery capital outlay account shall not revert to the lottery for

education account or the general fund but shall be carried forward into the subsequent fiscal year.

(5) Notwithstanding any provision of this section to the contrary, interest accruing on investments and deposits of the lottery capital outlay account shall be credited to such account, shall not revert to the lottery for education account or the general fund, and shall be carried forward into the subsequent fiscal year.

(6) Moneys in the lottery capital outlay account shall be invested by the state treasurer in accordance with the provisions of §9-4-603.

SECTION 12. Tennessee Code Annotated, Title 8, Chapter 4, Part 1, is amended by adding the following language as a new section:

Section 8-4-118.

(a) The commissioner of education shall develop and administer a grant program for capital outlay projects for K-12 educational facilities using funds available in the K-12 lottery capital outlay special account created pursuant to §4-51-111(g).

(b) The commissioner of education shall:

(1) Establish a uniform application form and application process for grants awarded pursuant to this section; and

(2) Establish matching dollar requirements for grants awarded pursuant to this section based on need.

(c)

(1) Grants shall be awarded or credited annually to each public school district in Tennessee.

(2) All funds transferred in a fiscal year to the lottery capital outlay account shall be allocated and credited for distribution through the matching grant program in the same manner in which state funds are allocated and distributed to

school districts through the basic education program funding formula in effect for that fiscal year.

(3) Individual district grants not awarded pursuant to subdivision (2) in any year shall be credited and accumulated for the benefit of the individual district and shall be included in such district's grant availability in each subsequent year until awarded; provided that if no grants are available in a subsequent year pursuant to the provisions of subdivision (2), a district may apply for the amount credited and accumulated for the benefit of such district. Any unawarded amounts, plus any accrued interest, shall carry forward in the name of the individual district until awarded.

(d) The comptroller is authorized to audit any district awarded a grant pursuant to this section for compliance with the provisions of this act.

(e) Costs incurred by the commissioner of education in administering the grant program created under this section, which provides funding for capital outlay projects for K-12 educational facilities, shall be funded from the K-12 lottery capital outlay special account as part of such program.

SECTION 13.

(a) The commissioner of education is authorized to promulgate rules and regulations as the commissioner of education may deem necessary to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of the uniform administrative procedures act, compiled in title 4, chapter 5.

(b) Notwithstanding the provisions of §§4-5-208 and 4-5-209 or any other provision of law to the contrary, the commissioner of education is authorized to

promulgate public necessity rules and emergency rules to implement the provisions of this act.

SECTION 14. Section 3 of this act shall take effect July 1, 2007, the public welfare requiring it, and shall apply to contracts entered into on or after that date.

Sections 11, 12 and 13 added by this amendment shall take effect upon becoming a law, the public welfare requiring it. All remaining sections of this act shall take effect July 1, 2007, the public welfare requiring it.